Jerry Hintze

To:

Dennis Killian; George Cross

Date:

3/22/2007 2:53 PM

Subject:

Bob Allen - Siemens

CC:

Garry Christensen; Wood, Dean

Mr. Allen works in the engineering department for Siemens and he will be responsible for CFD modeling of the burner and FEA of the nozzle tip. He will also be heading up the process of coming up with a recommended solution for our problem.

Garry reviewed past operating data and took him out and showed him the burner nozzles west of Unit 2. Mr. Allen took some of the nozzle material for metallurgical analysis. He did not admit to being a burner expert but, he had many years of experience in the industry. The engineer who will be doing the models formally worked for B&W and was involved with the original design of their low NOx burners. He did not believe that this will be a difficult problem to resolve.

They will get the original design information from ABT but, plan to work independently on the design solution. He indicated that they should have a proposal to us in two - three weeks with their recommended solutions.

Presentation for Siemens, March 15, 2007

ABT Contract for New Burners

Established on September 16, 2003

Replace original Unit 2 B&W burners inservice since 1987 and the second of 992, thermal distortion

TELES NOTES NOT NOTHE

48 burners with flame scanners and burner air flow monitoring, Installed March 2004

SOUC

Original Contract was for \$2,237,415

November 12, 2003 Addendum

Spool \$40,800 25 - 15 Veneral Subgrade \$40,800

And the secret served of the second section 1920 and 1920

Installation on separate contract \$1,616,80

- Total Cost to IPSC \$3,971,035

≅ ेर्टा Amount Paid ABT on Original Contract SZ:354:235



 Environmental performance better or same as originai B&W

minorove register operation and availability

- Soos as a minimum ife at maximum coal Minimize erosion of coal flow components

Thermal stability - designed to handle thermal environment

TAY JO 3000

Initial performance of burners was good

Met or exceeded NOx, LOI and CO Secure Se Flame stability was good over the load range

Register adjustability was good - Major

JAHA DALES Fire on F3 Burner, June 25, 2005 ABT believes fire started in We believe fire started because of erosion of the Burner was removed from Replacement burner purchased from ABT the elbow service

October 15-18, 2005 - Unit down for unrelated Incident

Found more problems, first knowledge of scope of issues

E SON COSTOZZIOSION Walls on the TOTAL DERE COMPLETE NOTE ON F6

December, 2005 - January, 2006 Purchased burner tips segments and liners for burner barrels IPSC paid \$199,100 for materials from ABT parts during the April, 2006 Unit 2 outage. Also removed kicker on Planned to install the

Jage Contage

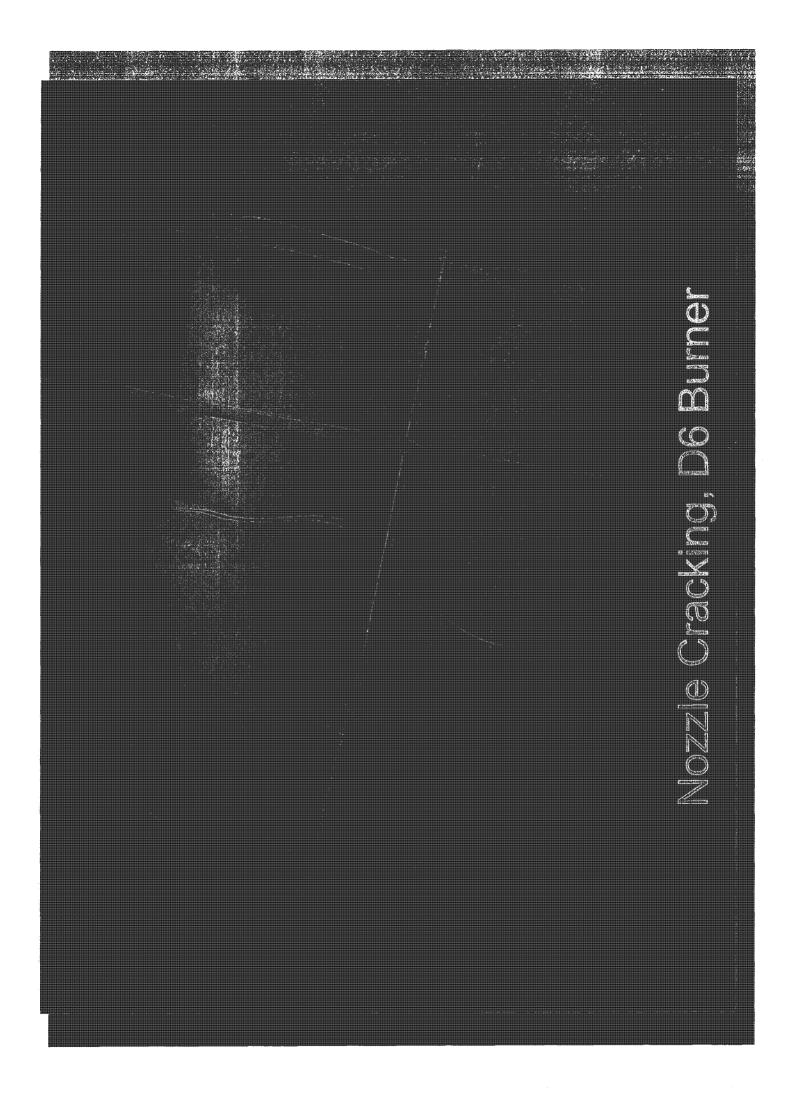
Damage Was Extensive

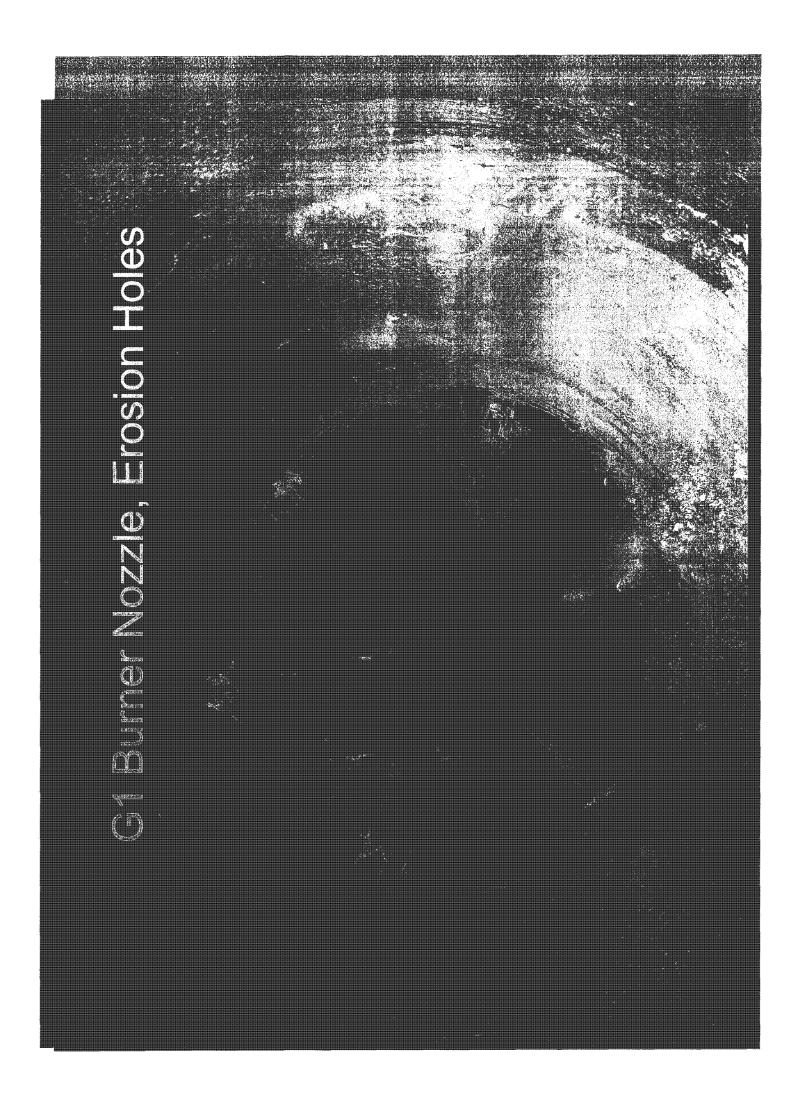
All 48 fuel injectors were pulled and inspected 20 of the tips were irrepairable and replace with straight tips. 28 had tip liners installed

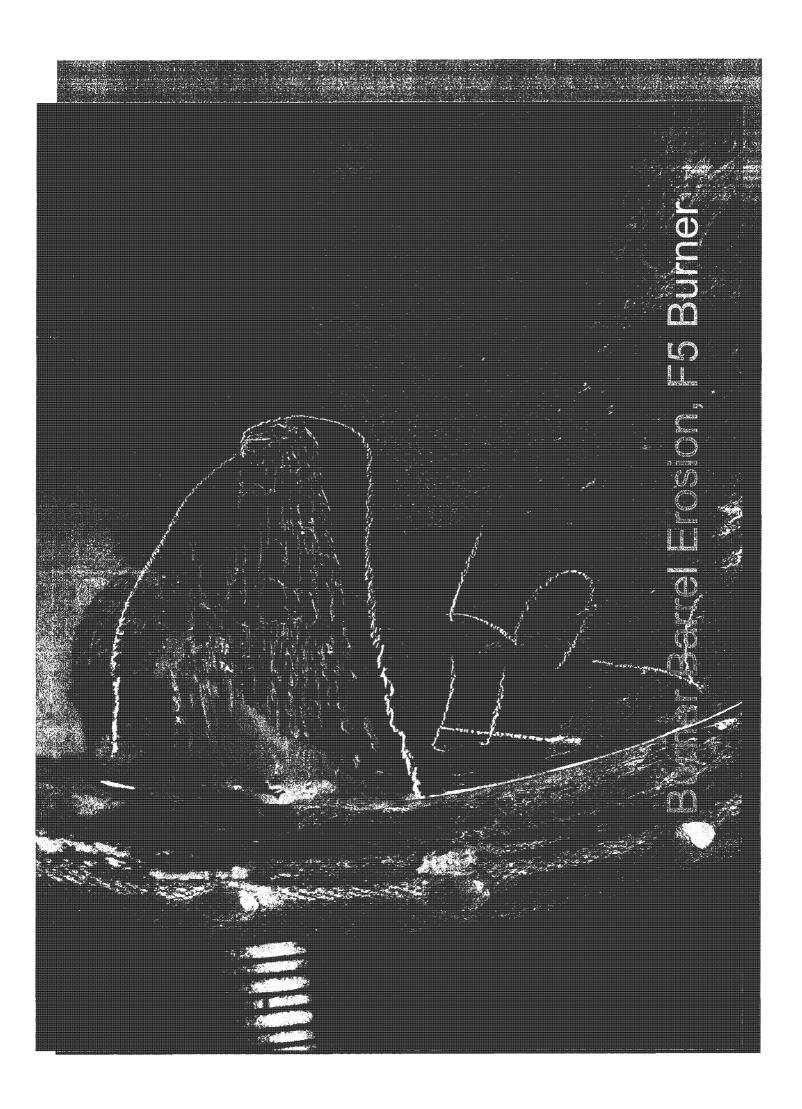
7 burners with holes in the injector barrel of The horizontal blane. Many more very thin had erosion in this area.

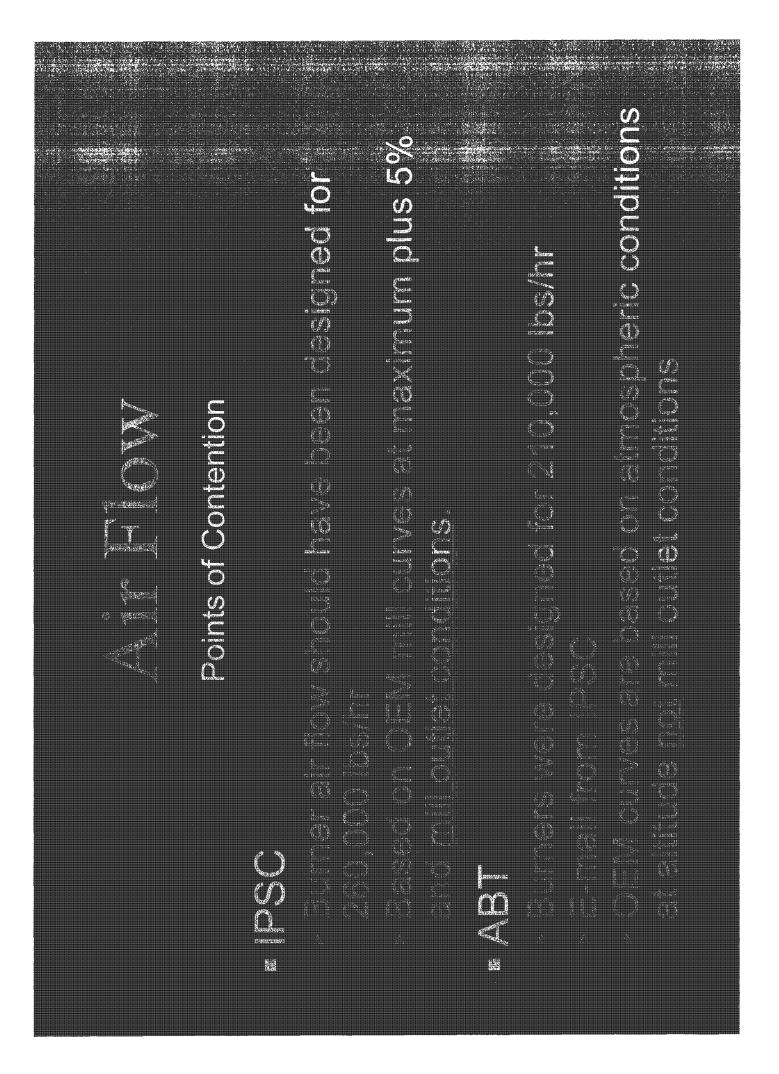
Diffuser and wear liner installed on all 48

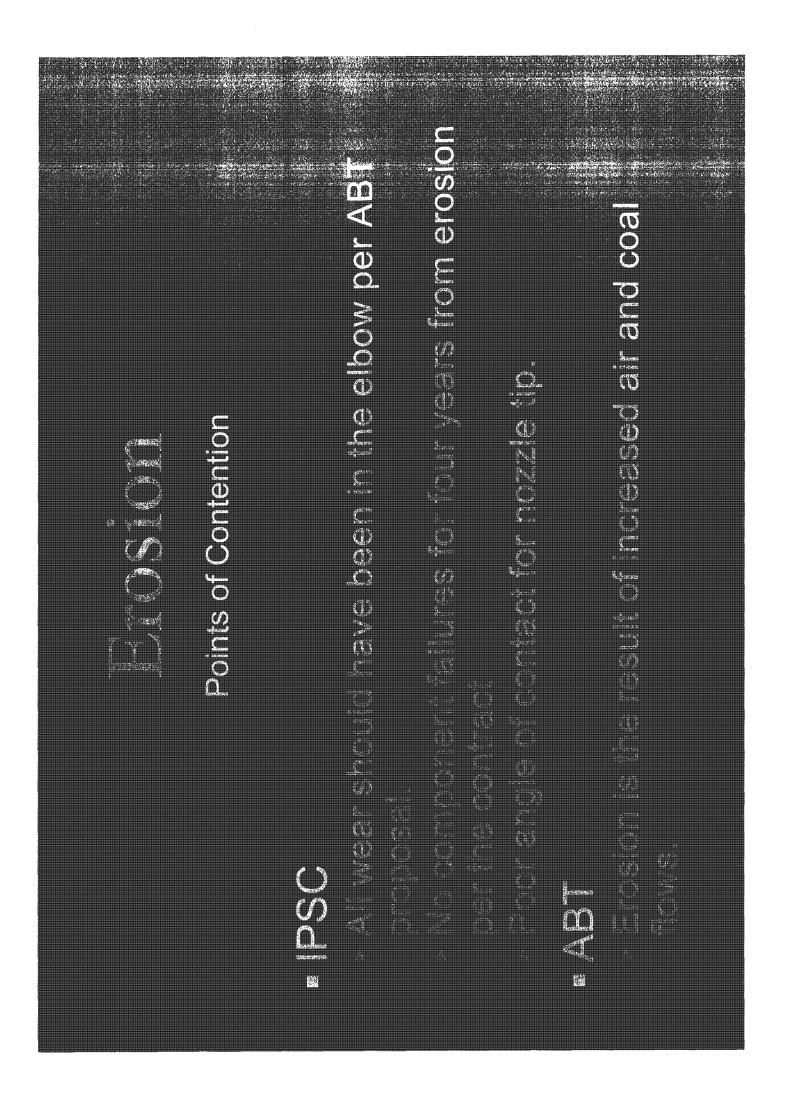












Points of Contention

SZES CESTON thermal stresses inherel

Server of the coling air was required, all out of servic (... (...)

versions and 1980 distribution them of grated from the desimilar metal TEVELS OF CHARMIN BRW burner welds.

JIN OSON DES

repairs, materials and installation - \$604,000 ■ IPSC will not backcharge ABT for all past

DSC will pay for installation of the new fue injectors and diffusers - est. \$250,000. ABT shall have a third party model flow an stresses to determine causes of failures.

ABT shall supply redesigned replacement mectors and diffusers.

Jerry Hintze

To:

Hardin, Jason W.

Date:

3/15/2007 3:00 PM

Subject:

Summary of meeting with Mr. Thomas Cochran, Siemens - ABT Burners

Attachments:

ABT and Siemens.pdf

CC:

Cross, George; Killian, Dennis

Resent with Attachment

Attending:

Thomas Cochran - Siemens George Cross - IPSC Jon Finlinson - IPSC Jerry Hintze - IPSC

Mr Cochran started out by explaining his position and duties with Siemens, past experience in the power industry and why Siemens acquired ABT. He explained that he did not know anything about the problems we were having with ABT until just a few weeks ago. ABT employees are now Siemens employees and the name ABT will disappear eventually.

We gave a short presentation to Mr. Cochran about our history with ABT and the problems we have been having with the burners (attached) including our final offer for settlement. Mr. Cochran expressed his desire to resolve the problem without litigation and indicated that he thought our offer was very generous.

He explained that he has the engineering expertise within his office to do the CFD and finite element models to solve this problem. He asked that we forward the presentation to his engineering manager, Mr. Michael Davidson, and they will get right on coming up with a plan for resolution.

George reiterated that this is our final offer and that we are not interested in further negotiations. Mr. Cochran indicated that he did not come to negotiate but, to try and solve the problem. George said that we would like to get something in writing as soon as possible and that we will hold up on filing the court papers if we can accomplish that. Mr Cochran indicated that he should be able to get us an answer in a couple of weeks as to what they can do and then we will finalize the commercial arrangements.

Garry Christensen took Mr. Cochran out to the bone yard to look at the burner nozzles removed during the 2006 outage.

Jerry Hintze

To:

Hardin, Jason W.

Date:

3/15/2007 3:00 PM

Subject:

Summary of meeting with Mr. Thomas Cochran, Siemens - ABT Burners

Attachments:

ABT and Siemens.pdf

CC:

Cross, George; Killian, Dennis

Resent with Attachment

Attending:

Thomas Cochran - Siemens George Cross - IPSC Jon Finlinson - IPSC Jerry Hintze - IPSC

Mr Cochran started out by explaining his position and duties with Siemens, past experience in the power industry and why Siemens acquired ABT. He explained that he did not know anything about the problems we were having with ABT until just a few weeks ago. ABT employees are now Siemens employees and the name ABT will disappear eventually.

We gave a short presentation to Mr. Cochran about our history with ABT and the problems we have been having with the burners (attached) including our final offer for settlement. Mr. Cochran expressed his desire to resolve the problem without litigation and indicated that he thought our offer was very generous.

He explained that he has the engineering expertise within his office to do the CFD and finite element models to solve this problem. He asked that we forward the presentation to his engineering manager, Mr. Michael Davidson, and they will get right on coming up with a plan for resolution.

George reiterated that this is our final offer and that we are not interested in further negotiations. Mr. Cochran indicated that he did not come to negotiate but, to try and solve the problem. George said that we would like to get something in writing as soon as possible and that we will hold up on filing the court papers if we can accomplish that. Mr Cochran indicated that he should be able to get us an answer in a couple of weeks as to what they can do and then we will finalize the commercial arrangements.

Garry Christensen took Mr. Cochran out to the bone yard to look at the burner nozzles removed during the 2006 outage.

"Davidson, Michael J O642" < michael.davidson@siemens.com>

To:

"Jerry Hintze" < JERRY-H@ipsc.com>, "Cochran, Thomas A O64" < thomas.cochr...

Date:

3/15/2007 2:58 PM

Subject:

RE: IPSC Presentation on ABT Burners

CC:

"Dennis Killian" <DENNIS-K@ipsc.com>, "George Cross" <GEORGE-

C@ipsc.com>

Jerry,

Tom told me to expect the presentation. I will review and I am sure we will be talking.

Michael Davidson Manager, Engineering Boiler Technology Services Siemens Power Generation, Inc.

----Original Message----

From: Jerry Hintze [mailto:JERRY-H@ipsc.com]

Sent: Thursday, March 15, 2007 4:34 PM

To: Davidson, Michael J O642; Cochran, Thomas A O64

Cc: Dennis Killian; George Cross

Subject: IPSC Presentation on ABT Burners

Attached is a presentation that I gave Mr. Cochran at a meeting to discuss the problems we have been having with ABT's burners on Unit 2. He asked me to send it to you. Please let me know if you need something else.

Jerry Hintze
Assistant Superintendent
Intermountain Power Service Corporation
850 W. Brushwellman Road
Delta, Utah, 84624

Phone: 435-864-6460 Fax: 435-864-0760 Jerry-H@IPSC.COM

Presentation for Siemens, March 15, 2007

ABT Contract for New Burners

Established on September 16, 2003

Replace original Unit 2 B&W burners inservice since 1987 - Communication 1992, thermal distortion

Unit 28 were modified in 1991, modified 48 burners with flame scanners and burner air flow monitoring, Installed March 2004

SOUCH

Original Contract was for \$2,237,415

November 12, 2003 Addendum

255 MA Mere as Upgrade \$40,800

Costelow Darder, X-Vane Spool \$40,800

And Messurement Ungrade \$35,220

Installation on separate contract \$1,616,80

- Total Cost to IPSC \$3,971,035

 Total Amount Paid ABT on Original Contra \$2.354.235

Project Design Objectiv

- Environmental performance better or same as original B&W
- No regulatory reason to change
- Improve register operation and availability
- Minimize erosion of coal flow components
- Specified four-year minimum life at maximum
- Thermal stability designed to handle thermal environment

Performance of ABI Surners

- Initial performance of burners was good
- Met or exceeded NOx, LOI and CO Requirements
- Flame stability was good over the load rar
- Register adjustability was good Major design objective

Problems Started Afte irst Year of Service

Fire on F3 Burner, June 25, 2005

- Burner was removed from service
- Replacement burner purchased from ABT
- We believe fire started because of erosion of the burner barrel
- ABT believes fire started in the elbow

Inspected F Row Burne

October 15-18, 2005 - Unit down for unrelated Incide

- Found more problems, first knowledge ö scope of issues
- Erosion of the coal nozzle side walls on the horizontal plane, complete hole on F6
- ► Erosion of the nozzle tip
- Cracks in the nozzle tip
- Erosion of the elbows

Purchased Repair Pai rom ABI

December, 2005 - January, 2006

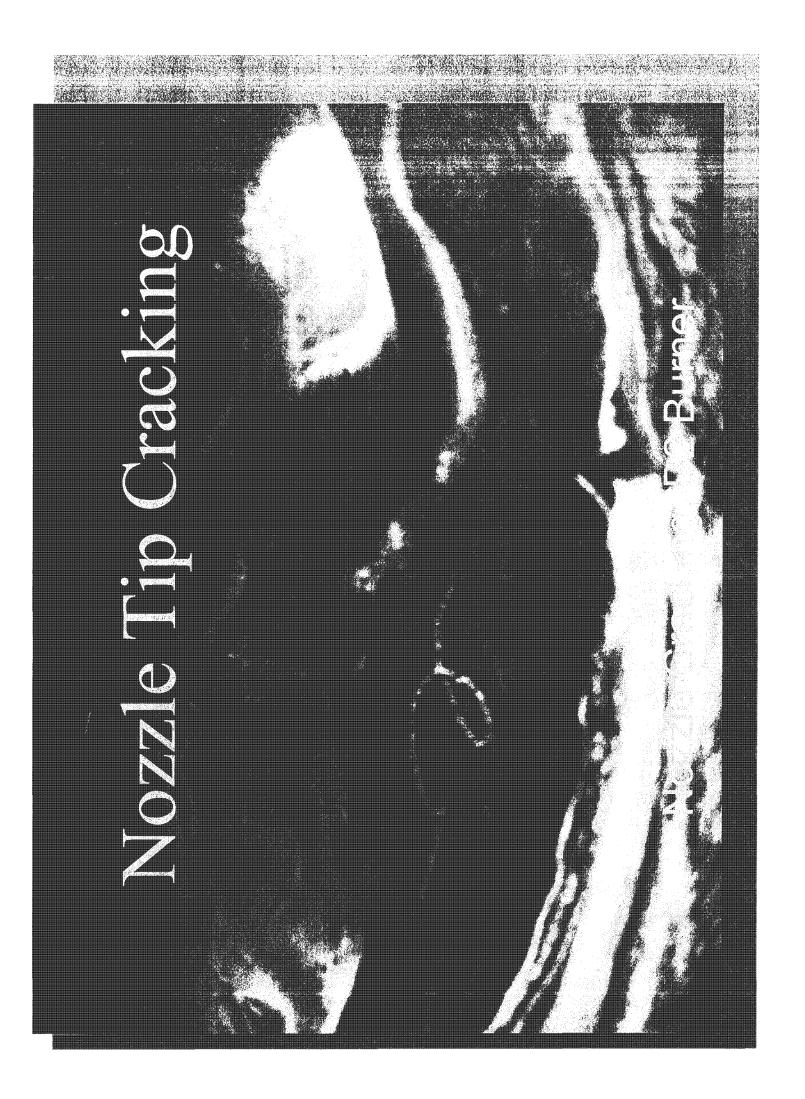
- Purchased burner tips segments and liners for burner barrels
 - IPSC paid \$199,100 for materials from ABT
- Also removed kicker on elbow
- Planned to install the parts during the April, 2006 Unit 2 outage.

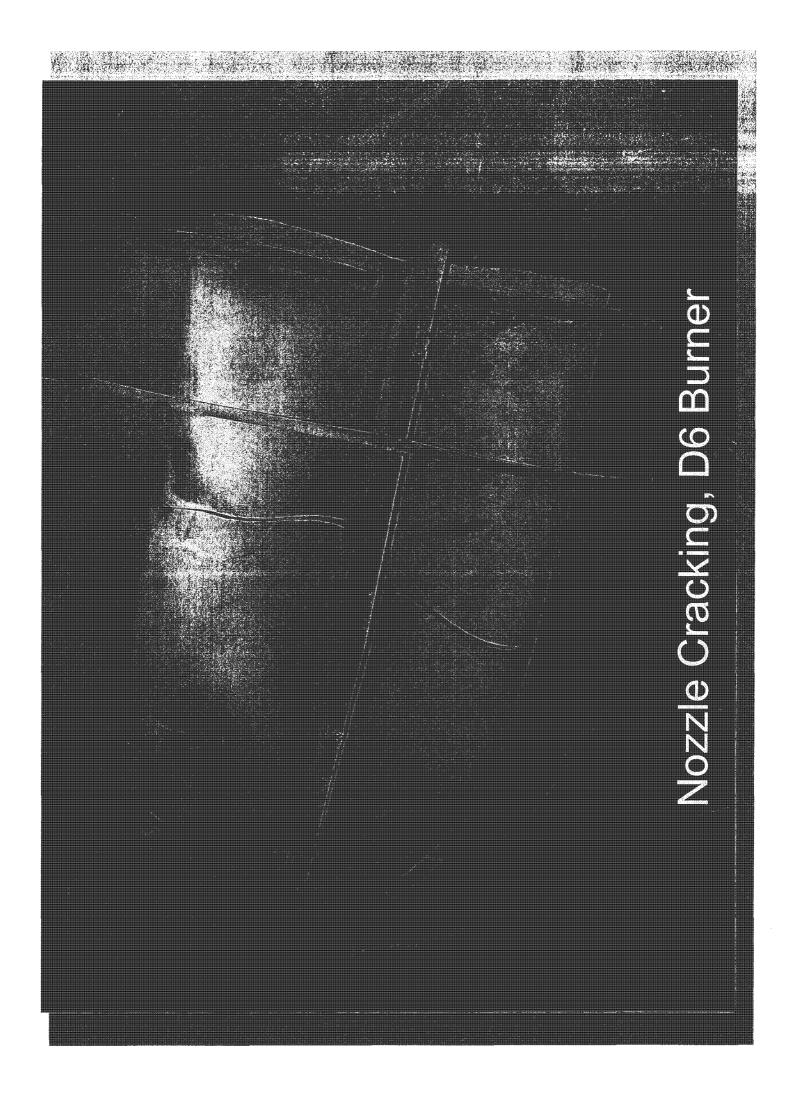


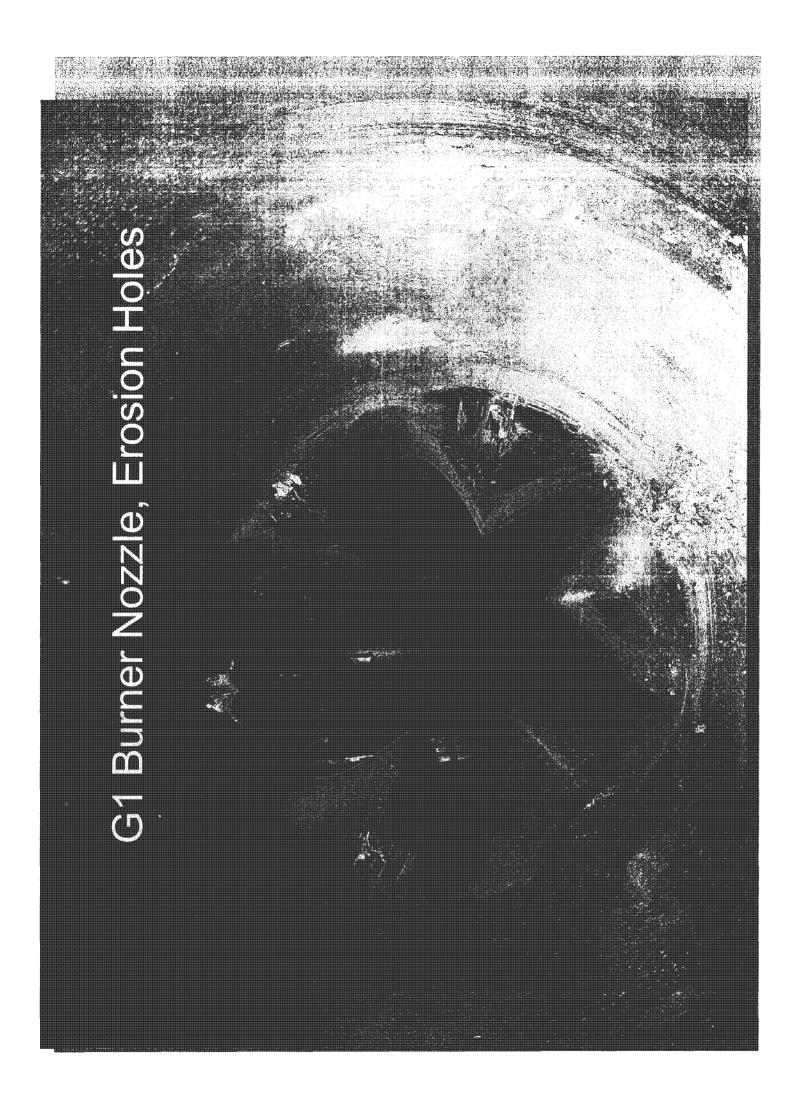
April 2006 Outage

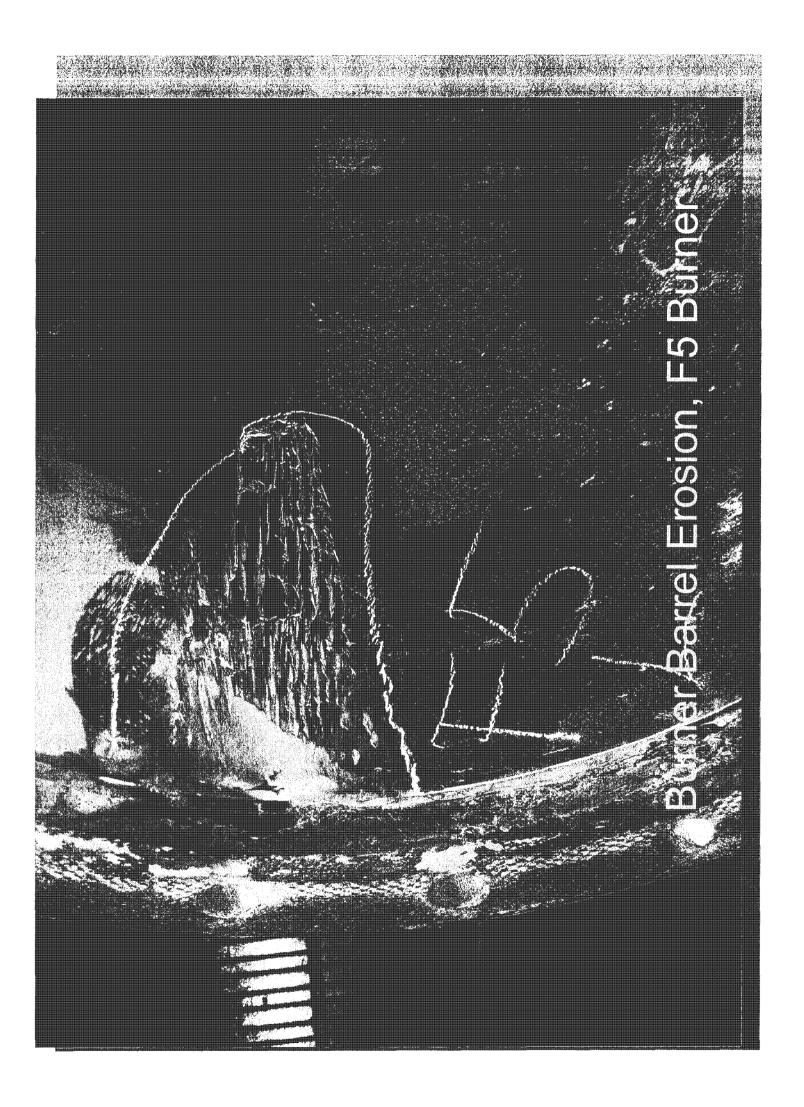
Damage Was Extensive

- All 48 fuel injectors were pulled and inspected
- with straight tips. 28 had tip liners installe 20 of the tips were irrepairable and replai
- the horizontal plane. Many more very thin 7 burners with holes in the injector barrel All had erosion in this area.
- Diffuser and wear liner installed on all 48 ourners









Air Flow

Points of Contention

■ IPSC

- Burner air flow should have been designed for 260,000 lbs/hr
- Based on OEM mill curves at maximum plus and mill outlet conditions.

- ABT

- Burners were designed for 210,000 lbs/hr
 - ▶ E-mail from IPSC
- OEM curves are based on atmospheric cond at altitude not mill outlet conditions

Erosion

Points of Contention

- IPSC

- All wear should have been in the elbow per AB proposal.
 - No component failures for four years from ero per the contract
- Poor angle of contact for nozzle tip.

ABT

 Erosion is the result of increased air and coa flows.

Nozzle Cracking

Points of Contention

IPSC

- Nozzles cracked from thermal stresses inhei their design.
- IPSC always had cooling air on all out of serv ABT claimed that no cooling air was required ourner rows.

HABY.

 All cracking originated from the dissimilar met weld in the barrel. IPSC did not inform them previous problems with B&W burner welds.

Summary and kesolution

repairs, materials and installation - \$604,0 IPSC will not backcharge ABT for all past

 IPSC will pay for installation of the new for injectors and diffusers - est. \$250,000.

 ABT shall have a third party model flow at stresses to determine causes of failures.

 ABT shall supply redesigned replacement injectors and diffusers. From:

"Cochran, Thomas A O64" <thomas.cochran@siemens.com>

To:

"Jerry Hintze" <JERRY-H@ipsc.com>

Date:

3/15/2007 2:40 PM

Subject:

Out of Office AutoReply: IPSC Presentation on ABT Burners

I will be out of the office on March 14, 2007, and returning March 19,2007. If you need imediate assistance, please contact Eric Martinez.

From:

Jerry Hintze Hardin, Jason W.

To: Date:

3/15/2007 2:56 PM

Subject:

Summary of meeting with Mr. Thomas Cochran, Siemens - ABT Burners

CC:

Dennis Killian; George Cross

Attending:

Thomas Cochran - Siemens George Cross - IPSC Jon Finlinson - IPSC Jerry Hintze - IPSC

Mr Cochran started out by explaining his position and duties with Siemens, past experience in the power industry and why Siemens acquired ABT. He explained that he did not know anything about the problems we were having with ABT until just a few weeks ago. ABT employees are now Siemens employees and the name ABT will disappear eventually.

We gave a short presentation to Mr. Cochran about our history with ABT and the problems we have been having with the burners (attached) including our final offer for settlement. Mr. Cochran expressed his desire to resolve the problem without litigation and indicated that he thought our offer was very generous.

He explained that he has the engineering expertise within his office to do the CFD and finite element models to solve this problem. He asked that we forward the presentation to his engineering manager, Mr. Michael Davidson, and they will get right on coming up with a plan for resolution.

George reiterated that this is our final offer and that we are not interested in further negotiations. Mr. Cochran indicated that he did not come to negotiate but, to try and solve the problem. George said that we would like to get something in writing as soon as possible and that we will hold up on filing the court papers if we can accomplish that. Mr Cochran indicated that he should be able to get us an answer in a couple of weeks as to what they can do and then we will finalize the commercial arrangements.

Garry Christensen took Mr. Cochran out to the bone yard to look at the burner nozzles removed during the 2006 outage.

From:

Jerry Hintze

To:

michael.davidson@siemens.com; thomas.cochran@siemens.com

Date:

3/15/2007 2:34 PM

Subject:

IPSC Presentation on ABT Burners

Attachments:

ABT and Siemens.pdf

CC:

Dennis Killian; George Cross

Attached is a presentation that I gave Mr. Cochran at a meeting to discuss the problems we have been having with ABT's burners on Unit 2. He asked me to send it to you. Please let me know if you need something else.

Jerry Hintze Assistant Superintendent Intermountain Power Service Corporation 850 W. Brushwellman Road Delta, Utah, 84624

Phone: 435-864-6460 Fax: 435-864-0760 Jerry-H@IPSC.COM

Presentation for Siemens, March 15, 2007

Contract History

ABT Contract for New Burners

- Established on September 16, 2003
- Replace original Unit 2 B&W burners inservice since 1987
- Unit 1's were replaced in 1992, thermal distor of registers
- Unit 2's were modified in 1991, modified backplates
- 48 burners with flame scanners and burne air flow monitoring, Installed March 2004

Contract Economics

- Original Contract was for \$2,237,415
- November 12, 2003 Addendum
- 253 MA Materials Upgrade \$40,800
- Coal Flow Divider, X-Vane Spool \$40,800
- Air Flow Measurement Upgrade \$35,220
- Installation on separate contract \$1,616,8
- Total Cost to IPSC \$3,971,035
- Total Amount Paid ABT on Original Cont \$2,354,235

Project Design Objectives

- Environmental performance better or sai
 - as original B&W
- Improve register operation and availabilit No regulatory reason to change
- Minimize erosion of coal flow components
- Specified four-year minimum life at maximum
- Thermal stability designed to handle thermal environment

Performance of AB Surners

- Initial performance of burners was good
 - Met or exceeded NOx, LOI and CO Requirements
- Flame stability was good over the load rail
- Register adjustability was good Major design objective

Problems Started Afte rst Year of Service

Fire on F3 Burner, June 25, 2005

- Burner was removed from service
- Replacement burner purchased from ABT
- We believe fire started because of erosion of the burner barrel
- ABT believes fire started in the elbow

Inspected F Row Burne

October 15-18, 2005 - Unit down for unrelated Incides

- Found more problems, first knowledge of scope of issues
 - Erosion of the coal nozzle side walls on the horizontal plane, complete hole on F6
- Erosion of the nozzle tip
- Cracks in the nozzle tip
- Erosion of the elbows

Purchased Repair Pai From AB1

December, 2005 - January, 2006

- Purchased burner tips segments and liners for burner barrels · IPSC paid \$199,100 for materials from ABT
 - Also removed kicker on

elbow

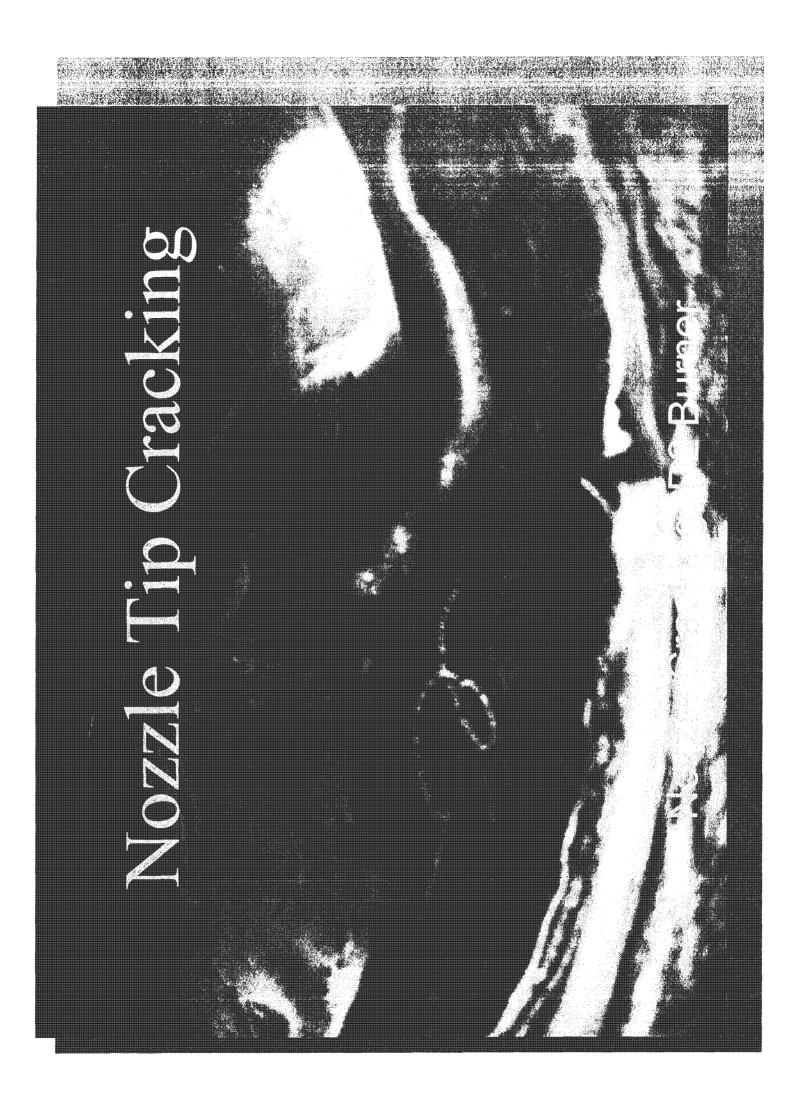
parts during the April, 2006 Unit 2 outage. Planned to install the

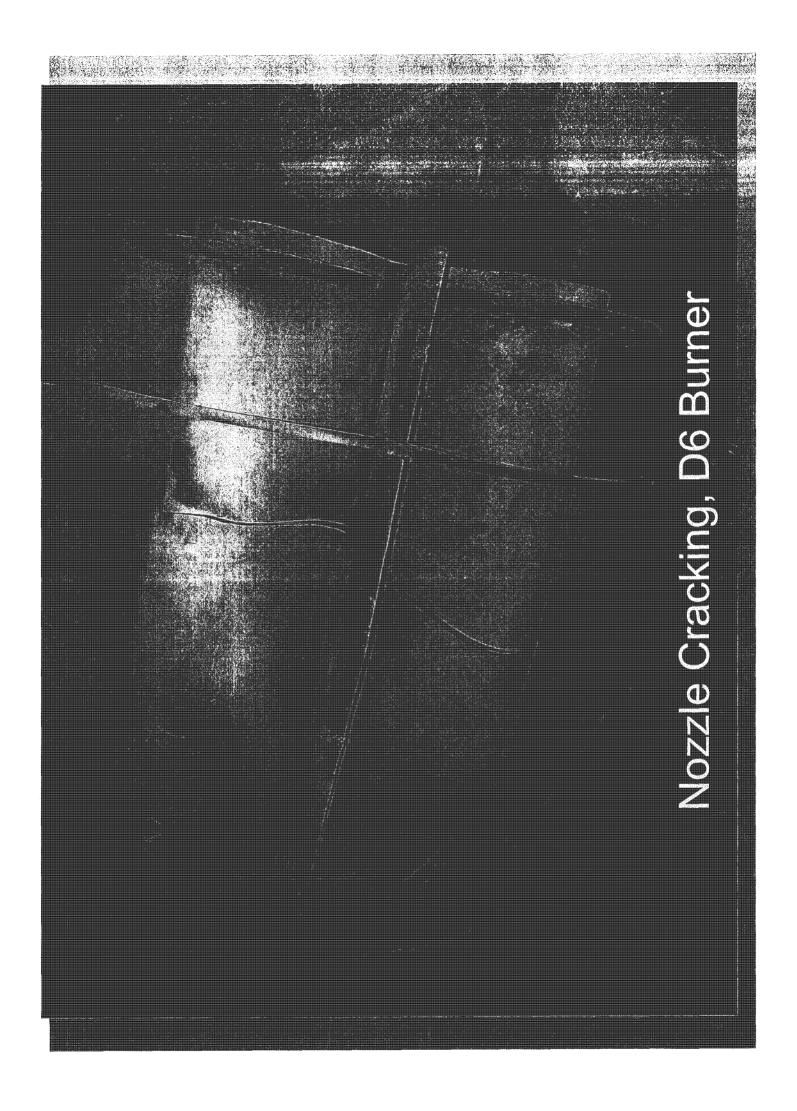


April 2006 Outage

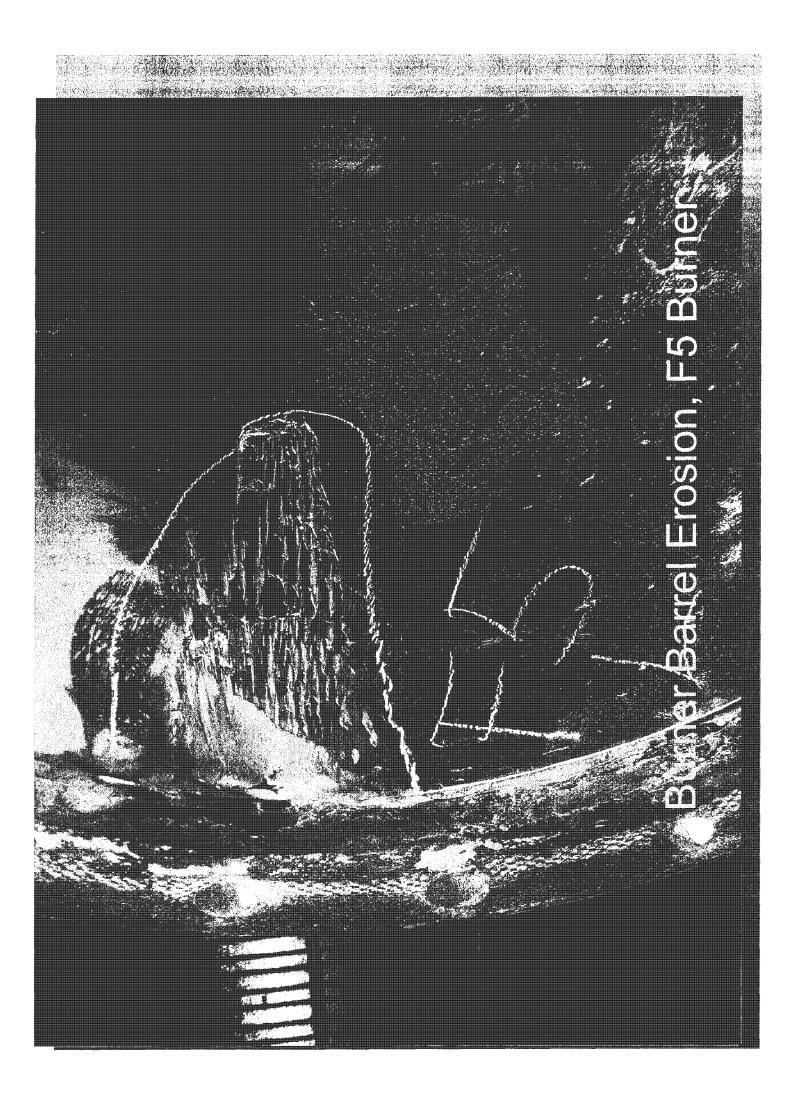
Damage Was Extensive

- All 48 fuel injectors were pulled and inspected
- 20 of the tips were irrepairable and replac with straight tips. 28 had tip liners install
- the horizontal plane. Many more very thir All had erosion in this area. 7 burners with holes in the injector barrel
- Diffuser and wear liner installed on all 48 ourners









Air Flow

Points of Contention

• IPSC

- Burner air flow should have been designed for 260,000 lbs/hr
- Based on OEM mill curves at maximum plus and mill outlet conditions.

■ ABT

- Burners were designed for 210,000 lbs/hr
 - ► E-mail from IPSC
- OEM curves are based on atmospheric condi at altitude not mill outlet conditions

Erosion

Points of Contention

• IPSC

- All wear should have been in the elbow per an arrange of the elbow per arrangement. proposal.
 - No component failures for four years from ero per the contract
- Poor angle of contact for nozzle tip.

- ABT

 Erosion is the result of increased air and coa flows.

Nozzle Cracking

Points of Contention

- IPSC

- Nozzles cracked from thermal stresses inhere their design.
- IPSC always had cooling air on all out of servi ABT claimed that no cooling air was required burner rows.

PBA

weld in the barrel. IPSC did not inform them o All cracking originated from the dissimilar met previous problems with B&W burner welds.

Summary and Resolutic

repairs, materials and installation - \$604,00 IPSC will not backcharge ABT for all past

 IPSC will pay for installation of the new full injectors and diffusers - est. \$250,000. ABT shall have a third party model flow an stresses to determine causes of failures.

 ABT shall supply redesigned replacement injectors and diffusers.

Presentation for Siemens, March 15, 2007

Contract History

ABT Contract for New Burners

- Established on September 16, 2003
- Replace original Unit 2 B&W burners in service since 1987
- Unit 1's were replaced in 1992, thermal disto of registers
- Unit 2's were modified in 1991, modified backplates
- 48 burners with flame scanners and burne air flow monitoring, Installed March 2004

Contract Economics

- Original Contract was for \$2,237,415
- November 12, 2003 Addendum
- 253 MA Materials Upgrade \$40,800
- Coal Flow Divider, X-Vane Spool \$40,800
- Air Flow Measurement Upgrade \$35,220
- Installation on separate contract \$1,616,8
- Total Cost to IPSC \$3,971,035
- Total Amount Paid ABT on Original Conf \$2,354,235

Project Design Objectiv

- Environmental performance better or sar
 - as original B&W
- No regulatory reason to change
- Improve register operation and availabilit
- Minimize erosion of coal flow component
- Specified four-year minimum life at maximum
- Thermal stability designed to handle thermal environment

Performance of A

- Initial performance of burners was good
 - Met or exceeded NOx, LOI and CO Requirements
- Flame stability was good over the load
- Register adjustability was good Major design objective

Problems Started Afte irst Year of Service

Fire on F3 Burner, June 25, 2005

- Burner was removed from service
- Replacement burner purchased from ABT
- We believe fire started because of erosion of the burner barrel
- ABT believes fire started in the elbow

Inspected F Row Burn

October 15-18, 2005 - Unit down for unrelated Incide

- Found more problems, first knowledge of scope of issues
- Erosion of the coal nozzle side walls on the horizontal plane, complete hole on F6
- Erosion of the nozzle tip
- Cracks in the nozzle tip
- Erosion of the elbows

urchased Repair rom AB

December, 2005 - January, 2006

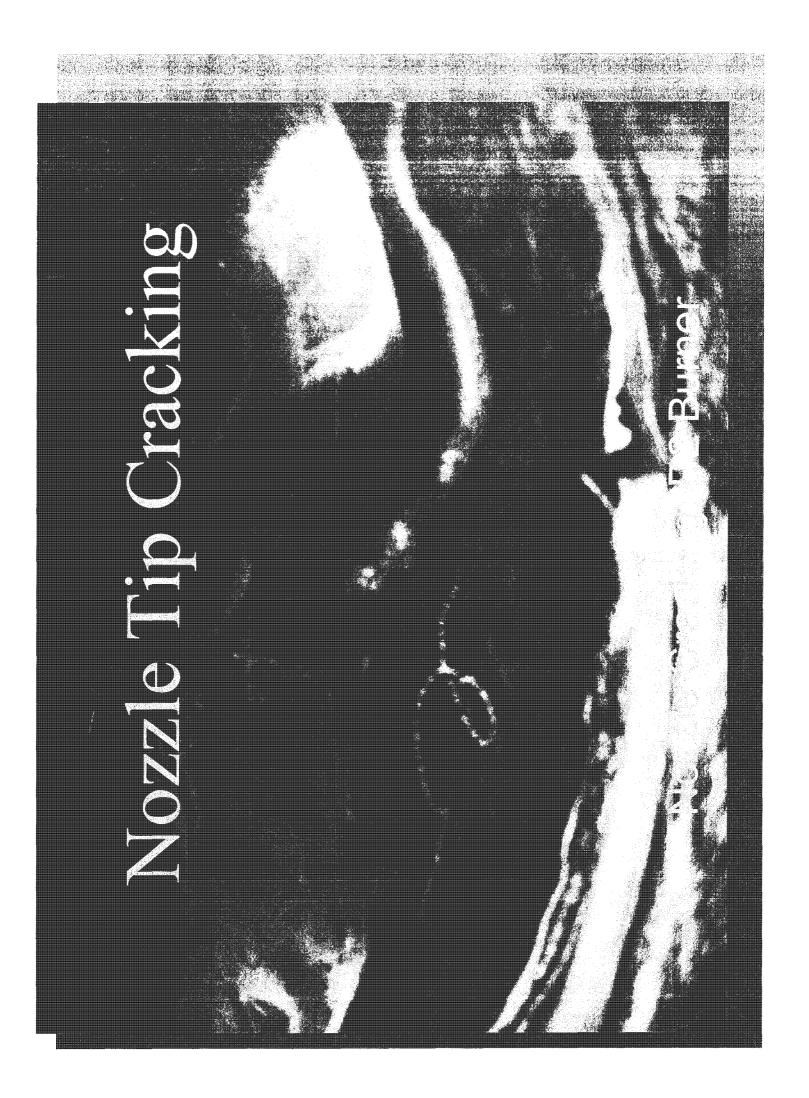
- Purchased burner tips segments and liners
 - for burner barrels
 IPSC paid \$199,100 for materials from ABT
- Also removed kicker on elbow
- Planned to install the parts during the April. 2006 Unit 2 outage.

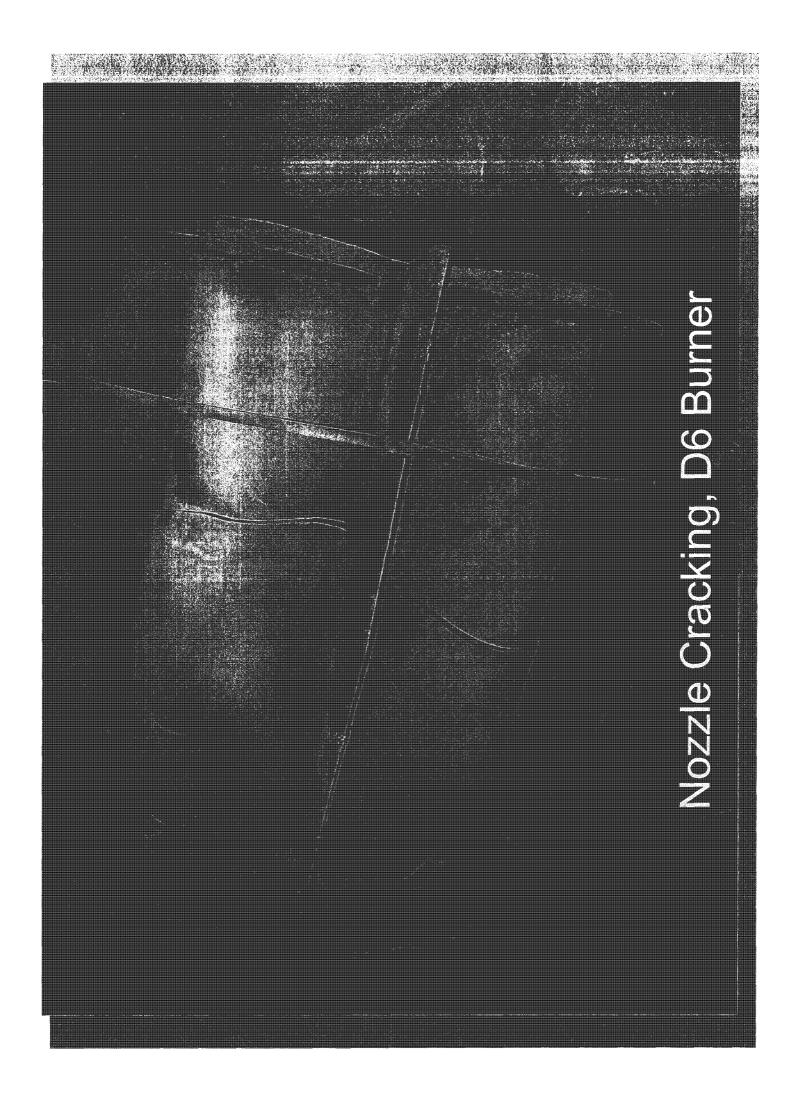


April 2006 Outage

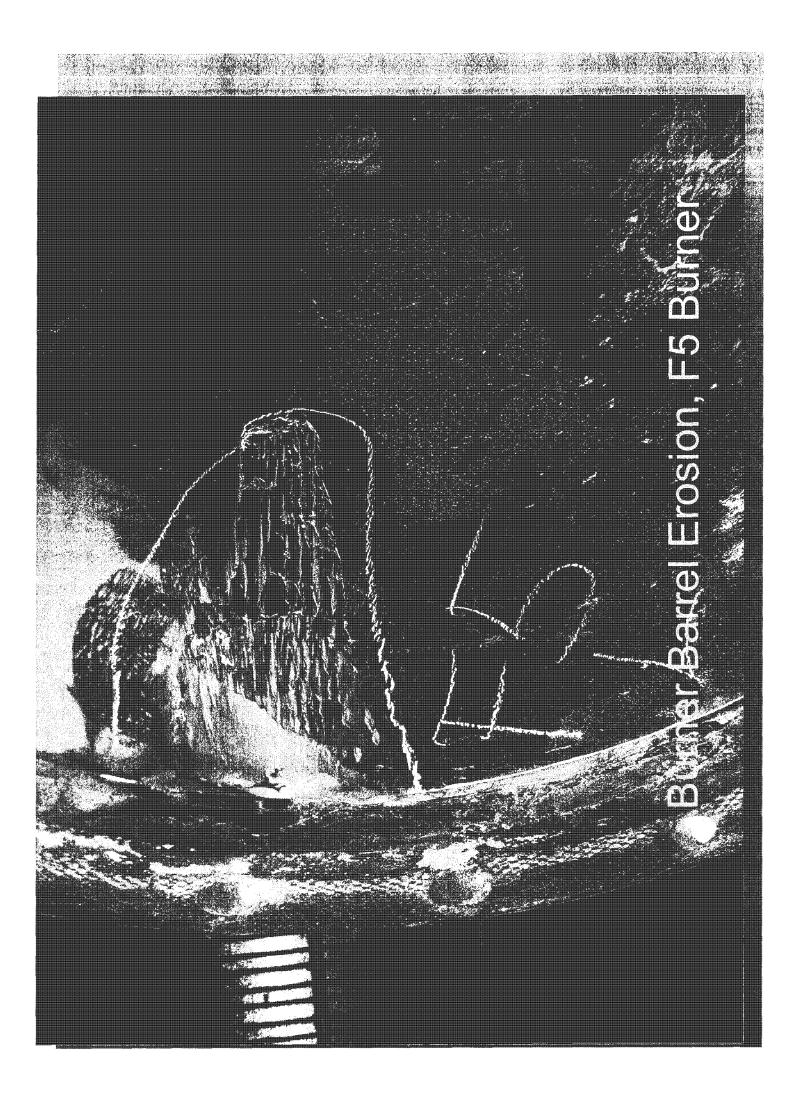
Damage Was Extensive

- All 48 fuel injectors were pulled and inspected
- with straight tips. 28 had tip liners installed 20 of the tips were irrepairable and replac
- the horizontal plane. Many more very this 7 burners with holes in the injector barrel All had erosion in this area.
- Diffuser and wear liner installed on all 48 ourners









AirFlow

Points of Contention

- IPSC

- Burner air flow should have been designed for 260,000 lbs/hr
- Based on OEM mill curves at maximum plus and mill outlet conditions.

- ABT

- Burners were designed for 210,000 lbs/hr
- E-mail from IPSC
- OEM curves are based on atmospheric condi at altitude not mill outlet conditions

Erosion

Points of Contention

■ IPSC

- All wear should have been in the elbow per.
 - proposal.
 No component failures for four years from ero per the contract
- Poor angle of contact for nozzle tip.

ABT

 Erosion is the result of increased air and coal flows.

Nozzie Cracking

Points of Contention

- IPSC

- Nozzles cracked from thermal stresses inhere their design.
- ABT claimed that no cooling air was required IPSC always had cooling air on all out of serv burner rows.

- ABT

 All cracking originated from the dissimilar meta weld in the barrel. IPSC did not inform them previous problems with B&W burner welds.

Summary and Resolutic

- IPSC will not backcharge ABT for all pas repairs, materials and installation - \$604.
- IPSC will pay for installation of the new f injectors and diffusers - est. \$250,000.
- ABT shall have a third party model flow a stresses to determine causes of failures,
- ABT shall supply redesigned replacement injectors and diffusers.

From: To: Jerry Hintze George Cross 3/14/2007 4:12 PM

Date: Subject:

PDF Presentation of ABT - Siemens Presentation

Attachments:

ABT and Siemens.pdf



September 30, 2003

350 Main Street, Suite 5 Bedminster, NJ 07921

> P 908.470.0470 F 908.470.0479

Mr. George W. Cross, President and CEO Intermountain Power Service Corporation

www.advancedburner.com

850 West Brush Wellman Road

Delta, Utah 84624

Attention:

James Nelson, Contract Administrator

Reference:

Contract 04-45606 -Unit 2 Low NOx Burners

Dear Mr. Nelson:

We are progressing with design of the IGS Unit 2 burners and in the process have determined that we require the below listed information to complete our design:

- 1. What is the diameter of the hole in the windbox for the existing burners. We intend to stay within this diameter for installation of our burners if possible to minimize field work. The drawing IPSC provided us of the existing burners shows a dimension for this, however the actual dimension is omitted from our version.
- ? 2. IPSC provided us with an average primary air mass flow of 3500 lbs/min at Unit load of 950 MW. What is the corresponding steam flow under this load condition.
- ? 3. What is OD and length of outer Oil gun tube and mounting tube bolt pattern? On drawing you provided us (269375E, Rev. 10) there are 2 drawings listed that would give us this information, drawings 135723A and 135724A. Please forward these drawings if available.
- 4. What is the number and diameter of bolt holes, as well as the bolt hole circle, for the existing elbow <u>outlet</u> flange? We also need to know the bolt hole orientation of the elbow outlet for each burner (i.e. is top bolt on the vertical centerline or does is straddle the vertical centerline)?
- ? 5. What is the size of register support brackets (channel or tube?) that run between the tube wall and the windbox wall. These are shown on drawing you provided us 294359E, however there aren't any dimension on our version.
- 6. What is the fuel injector tip set back dimension, from the tube wall, for the existing burners? (Threat Dayth).

Please provide us with this information ASAP or advise should you require clarification on any of this requested information.

Sincerely yours

Sal N. Ferrara

cc: C. Onaitis